

TEACHERS' RETIREMENT BOARD
AD HOC GOVERNANCE COMMITTEE

SUBJECT: Travel Policy

ITEM NUMBER: 5

ATTACHMENT(S): 1

ACTION: _____

DATE OF MEETING: July 8, 1998

INFORMATION: X

PRESENTER: Mr. Mosman

Attached is a copy of the Board Travel Policy that was approved by the Teachers' Retirement Board on May 6, 1998. The text that was deleted is shown as strikeouts and the approved additions are underlined.

BOARD TRAVEL

BOARD AND EXECUTIVE STAFF TRAVEL AUTHORIZATION

A. Board Member travel is considered an appropriate expenditure of the System's funds when the travel falls within any of the following categories:

1. Travel is necessitated to attend any publicly noticed meeting of the Teachers' Retirement Board.
2. The Board authorizes one or more members to conduct specific business or attend a specific event and represent the System in an official capacity (e.g. representation at Council of Institutional Investors meetings or representing the System at the annual meeting of the National Council on Teacher Retirement).
3. Travel is authorized by the Board for one or more members to attend seminars, conferences, or educational classes where the Board Member's capacity to carry out his/her duties as a trustee of the System will be enhanced in a significant manner (including speaking engagements where a Board Member can enhance his/her capacity through participation at the event).

For Category 1 travel, the public notice of a Board meeting serves as the automatic prior approval of any travel necessary to attend the meeting.

For Category 2 and 3 travel, action of the full Board is necessary in advance. If an urgent travel need develops in advance of a scheduled Board meeting, then the travel may be authorized with joint approval of the Board Chairperson and Vice-Chairperson.

For Category 3 travel, the following guideline is set forth: Normally a maximum of three events of this nature will be considered appropriate per fiscal year.

- B. All travel outside California (domestic or international) by executive staff, except for Category 1 travel, is subject to prior approval by the Board. If a travel need develops prior to a scheduled Board meeting, the travel may be authorized with joint approval of the Board Chairperson and Vice-Chairperson.
- C. All travel that requires advance approval shall be reported to the Board after its conclusion. The report shall:
 - a. itemize the source of funding for the travel (privately funded, STRS reimbursed, gift-to-STRS, other).
 - b. include a summary report indicating the purpose of the trip and a summary of the information learned which enhances the capacity of a Board Member to carry out his/her duties as a trustee.

Failure to submit timely reports shall be cause to deny future travel requests.

BOARD TRAVEL EXPENSES

- A. STRS shall pay for travel expenses, including actual transportation and related lodging and subsistence, of Board Members on STRS-related business ~~falling within Categories 1 and 2 travel.~~ However, while traveling, Board Members may participate in meals provided by third parties. In these situations, Board Members may not claim per diem reimbursement for such meals and must comply with the Political Reform Act (Gov. Code sec. 81000 et seq.) Exceptions to this rule require advance approval by the Board.
- ~~B. Travel expenses incurred for authorized travel falling within Category 3 travel shall also be paid by STRS unless the Board Member attending the authorized event is designated to be a speaker and the sponsoring organization has agreed to pay all or part of the travel expenses.~~
- ~~C. In situations where a STRS Board Member is designated to be a speaker and the sponsoring organization agrees to pay the necessary expenses in connection with having a STRS speaker, the payment of any expenses by a sponsor shall be governed by the~~

~~System's Conflict of Interest (COI) Code and regulations issued by the Fair Political Practices Commission (FPPC). Necessary expenses may consist of actual transportation and related lodging and subsistence, or accepting direct or indirect payment or reimbursement for the same provided the receipt is permitted under the System's COI Code and FPPC regulations.~~

~~D. It is not necessary that the event sponsoring organization pay all of the Board Member's necessary travel expenses as a condition of the Board Member's participation as a speaker if the member's participation has been approved by the Board to be funded by the System (in full or in part).~~

~~E. Accepting actual transportation and related lodging and subsistence, or accepting direct or indirect payment or reimbursement for the same from any persons, business entity, organization, a foreign government, a bona fide public or private educational institution,¹ nonprofit charitable or religious organization,² or governmental entity other than either the System or the State of California in connection with one's official position as a member of the Board is prohibited, except where permitted under Board Policy and the receipt is not prohibited by any other provision of law, including the System's COI Code and FPPC regulations.~~

~~F. The Board, on behalf of the System, may accept directly gifts of travel to defray necessary travel expenses in connection with official STRS business, including the designation of STRS speakers. In such instance, the System shall be deemed the recipient of the gift and not the official utilizing the gift if the following requirements are met under FPPC regulation ? 18945.2:~~

- ~~(1) STRS receives and controls the gift of travel expense.~~
- ~~(2) The gift of travel expense is used for STRS' official business.~~
- ~~(3) STRS determines which Board Member and/or System employee will utilize the travel.~~
- ~~(4) STRS memorializes in writing within 30 days of the receipt of the travel payment the identity of the donor and the applicable Board Member and/or System employee as well as a description of the official use and value of the travel, and files that writing with STRS' filing officer responsible for statements of economic interests.~~

¹ ~~Defined in Section 203 of Revenue and Taxation Code.~~

² ~~Exempt from taxation under Section 501(c)(3) of the Internal Revenue Code.~~

- ~~GB.~~ Claiming travel expenses from STRS or the State of California for other than state business is prohibited. No Board Member shall accept dual payment for travel expenses.

DISCLOSURE AND REPORTING REQUIREMENTS

- A. All STRS Board Members are subject to the disclosure and reporting requirements of the System's COI Code and FPPC regulations. Any Board Member that receives a gift of travel expenses (paid or reimbursed) or the actual transportation and related lodging and subsistence from any third party other than either the System or the State of California has the responsibility to determine whether the receipt of the same must be disclosed and reported under the System's COI Code and FPPC regulations. This section applies to STRS travel, as well as other travel expenses covered by the System's COI Code and FPPC regulations.
- B. Receipt of actual transportation and related lodging and subsistence or any payment or reimbursement of the same to Board Members regarding travel of any kind by third parties may subject the recipient Board Member to disqualification from participation in making Board Policy related to the third party. It is the recipient's responsibility to make sure that he or she does not engage in any action that places himself or herself in a conflict of interest.

Effective: April 20, 1990
Amended: October 8, 1997
Amended: May 6, 1998